GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1748
ANSWERED ON:06.03.2000
REFORMS IN THE POWER SECTOR
SUBODH MOHITE

Will the Minister of POWER be pleased to state:

(a) the names of the States that adopted the power sector reforms approved by C.Ms. Conference in 1996;

(b) the Grants and loans provided by the Union Government to the States for adopting the power reforms during the last three years;

(c) whether the Government have reviewed the functioning of power sector in the States where reforms have taken place; and

(d) if so, the details in this regard, State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) : During the last few years, several states initiated reforms. Orissa was the first state to undertake comprehensive reforms by enacting the Orissa Electricity Reform Act, 1995, setting up of SERC and unbundling of SEB. The states of Haryana, Andhra Pradesh, Karnataka and Uttar Pradesh have also unbundled/corporatised their SEBs and set up regulatory Commissions. Other states like West Bengal, Tamil Nadu, Punjab, Delhi, Gujarat, Madhya Pradesh, Arunachal Pradesh, Maharashtra and Rajasthan have either constituted or notified the constitution of SERC.

(b) : Power Finance Corporation (PFC) funds SEBs to undertake reforms and also transmission and distribution activity in the states. The international financial institutions like World Bank, DFID, CIDA etc are also supporting the reform efforts of the states subject to fulfilment of certain conditionalities for the success of reforms.

(c) & (d) : The status of reforms in Orissa has been reviewed. There has been significant improvement in the PLF of thermal power stations and tariff has also been rationalised. In the phase of transition, the Grid Corporation of Orissa (GRIDCO) has been facing financial difficulties. The Government of Orissa/GRIDCO has prepared a financial restructuring plan to overcome the problem. In case of other states like Andhra Pradesh, Haryana, Uttar Pradesh, Karnataka, the progress of reforms is closely watched. Recently, the Ministry of Power signed Memorandum of Agreement/Understanding with the states of Karnataka and Uttar Pradesh, charting out the time-bound actions to be taken for reforms of the state power sector.